

*1983-1984 PROGRESS REPORT*

*STATE OF ARIZONA*

*ARIZONA DEPARTMENT OF TRANSPORTATION*

*AERONAUTICS DIVISION*



## TABLE OF CONTENTS

	<u>PAGE</u>
HISTORY	1
AUTHORITY AND RESPONSIBILITY	2
ORGANIZATIONAL CHART	3
ARIZONA AIRPORT SYSTEM DESCRIPTION	4
PRIMARY AIRPORT SYSTEM	5
AIRPORT DEVELOPMENT SECTION	6
Planning	6
Funding	6
FAA Grant Funds Expended in Arizona (Fig. #1)	7
Number of Completed Airport Projects (Fig. #2)	8
State Grant Funds Expended	9
Project Administration	10
Technical Assistance	10
Grand Canyon Airport Construction	11
State Aviation Fund Dollar Allocation 1984	12
Airport Projects Completed in Fiscal Year 1983-84 (Table 1)	13
AIRCRAFT REGISTRATION	15
Fiscal Year 1983-84	16
Number of Aircraft Registrations (Fig. #4)	17
Lieu Tax & Registration Fees (Fig. #4)	17
Historical Aircraft Registration Revenues (Table 2)	18
ADMINISTRATION	19
Revenue and Expenditures (Table 3)	21
Historical Aviation Fuel Tax Data (Table 4)	22
GRAND CANYON NATIONAL PARK AIRPORT	23
Revenue vs. Expenditures (Fig. #6)	
Comparison of Airport Staffing to Passenger and Aircraft Operation Volumes (Table 5)	24
Historical Revenue and Expenditures/Aircraft Operations and Passengers Enplaned (Table 6)	25
AIR SERVICE	26
Scheduled Air Service Routes	27
AVIATION FIELD REPRESENTATIVE	28
Publications	29
Seminar Attendance (Fig. #7)	30

## HISTORY

The history of the Arizona Department of Transportation, Aeronautics Division, begins with the creation of the Arizona Aviation Authority in March of 1950. The Authority originally consisted of an unpaid board of five members serving three-year terms. The primary purpose of the board was to advise the Governor and the legislature on aviation matters.

In May of 1955, a part-time director was appointed. Later that same year, the position became full-time. The Authority started monthly publication of a newsletter in 1956 and an airmarking program to aid in cross-country navigation in 1958. By 1959, the Authority had begun assisting communities in developing airfields. In 1962, the legislature created the Arizona Department of Aeronautics and appropriated funds to assist in construction of a Grand Canyon National Park Airport. Construction design began in 1963 and the airport officially opened two years later.

The old Department of Aeronautics was controlled by a seven-member Aeronautics Board. The Board members were appointed to five-year terms by the Governor and the Senate. The primary function of the Board was to budget funds for airport development.

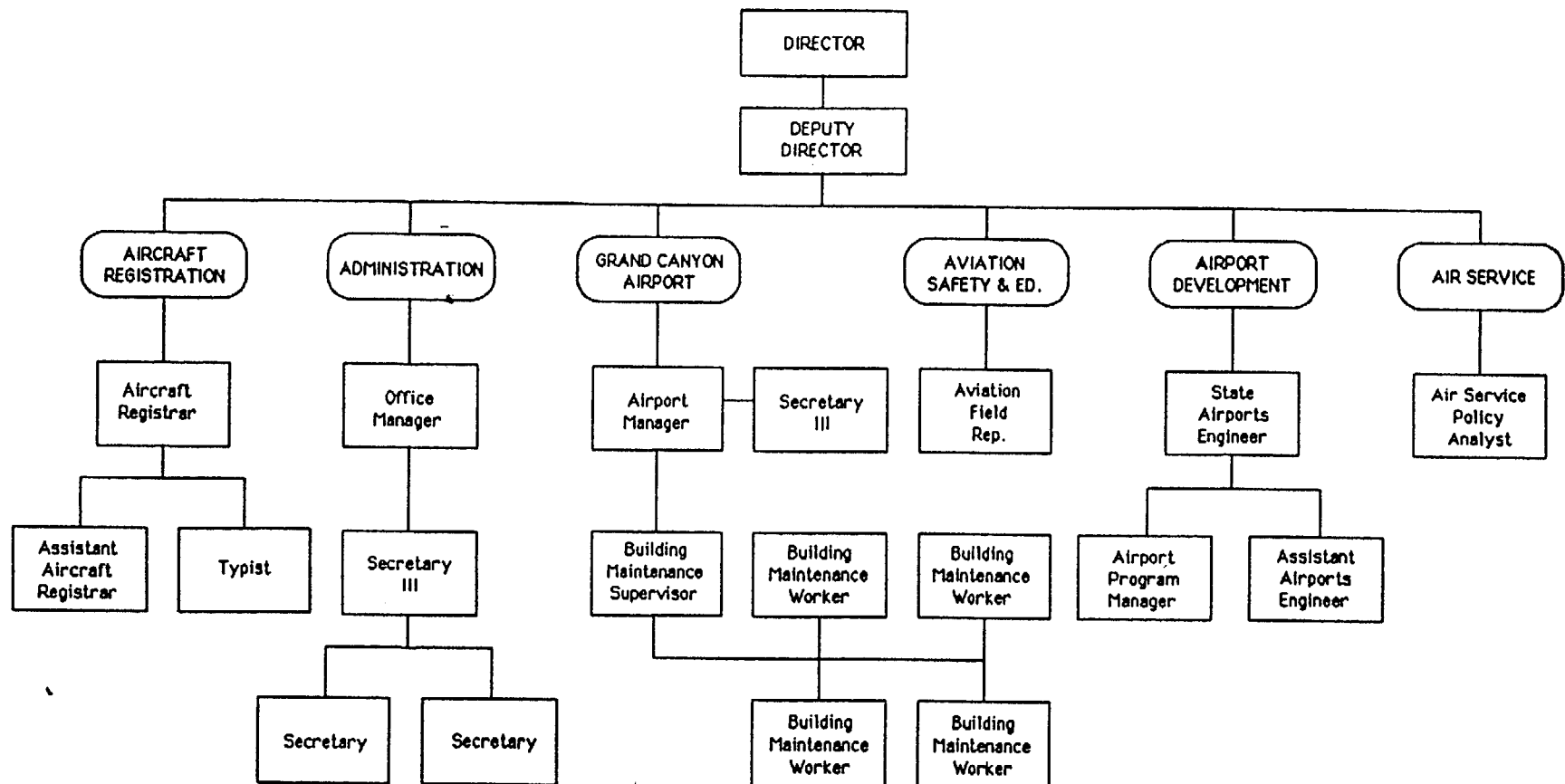
In 1974, the Departments of Aeronautics, Highways and Motor Vehicles were combined to form the present-day Arizona Department of Transportation.

## **AUTHORITY AND RESPONSIBILITY**

The Department is composed of five divisions; Aeronautics, Highways, Transportation Planning, Motor Vehicles and Administrative Services. The Aeronautics Division is charged by state law to: encourage and advance the safe and orderly development of aviation in the state; assemble and distribute to the public information relating to aviation; represent the state on issues of routing and rate schedules concerning commercial airline traffic; accept federal and other monies for airport development or air navigation facilities; ensure that the Grand Canyon National Park Airport is operated and maintained; certificate aircraft dealers; register non-airline aircraft within the State and make recommendations on legislative and policy issues. For statutory references, see Arizona Revised Statutes, Title 28, Chapter 12.

The Aeronautics Division is organized along functional lines of responsibilities. As the organizational chart on the next page indicates, the Division is composed of the Aircraft Registration, Airports Development, Grand Canyon National Park, Air Service, Aviation Safety and Education, and Administration Sections.

ARIZONA DEPARTMENT OF TRANSPORTATION  
AERONAUTICS DIVISION  
ORGANIZATIONAL CHART



## ARIZONA AIRPORT SYSTEM DESCRIPTION

Airports are considered facilities which enable residents of a community to have access to the national system of airspace and airports. From a state standpoint, it is considered desirable to provide the general public with no more than a 30-minute driving time to a public use airport facility. In Arizona, there are 181 airports registered with the Federal Aviation Administration (FAA). A primary system of 58 key airports provides service to about 87 percent of the population with registered aircraft in 1984. Of the 58 system airports, 46 are publicly owned, while 7 are Indian-controlled and 5 are private.

Primary airports are those airports which have:

- \* 10 or more based aircraft and/or 2,000 or more annual operations;
- \* Scheduled air service by either an air carrier or commuter airline on a regular basis; or
- \* Projections to meet the above criteria within 10 years.

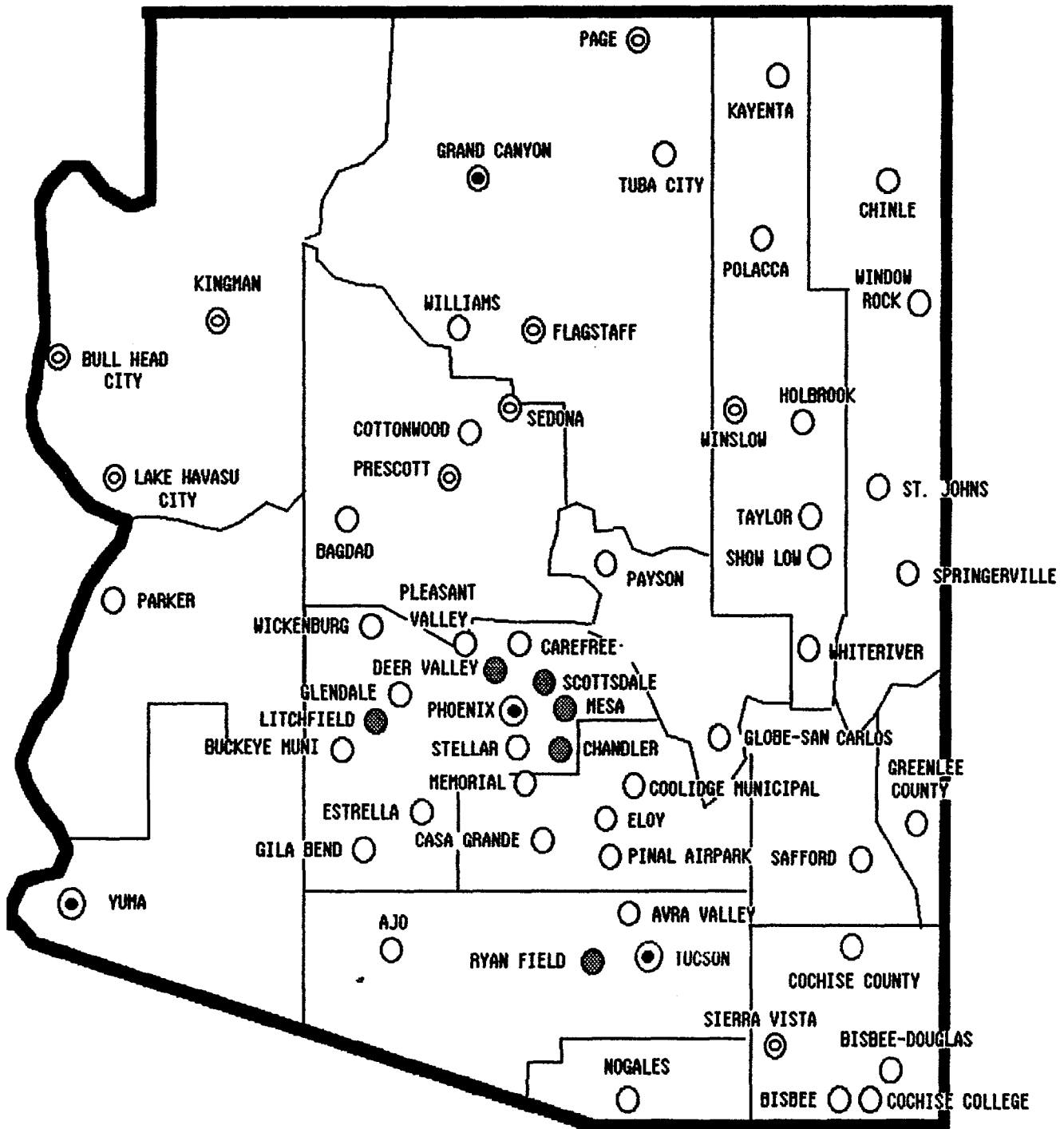
There are also 70 heliports or helistops currently listed by the FAA in Arizona. At present, all are private-restricted facilities.

Capital improvements for active airport facilities are often financed by a combination of generally available sources: federal funds, state funds and local funds. The federal funds are generated by aviation users and administered back to airports by the Federal Aviation Administration. For Federal funding purposes, airports are categorized and defined as noted below:

### ARIZONA SYSTEM AIRPORTS BY TYPE

<b>Primary Commercial Service</b> (Including Sky Harbor & Tuscon Int'l); An airport served by scheduled airlines and enplaning .01 percent of the nation's total passengers.	<b>4</b>
<b>Non-Primary Commercial Service Airports</b> Airports with regularly scheduled service and enplaning 2500 or more passengers.	<b>9</b>
<b>Reliever Airports</b> Relieves congestion at a commercial service airport and provides more general aviation access to the overall community.	<b>6</b>
<b>General Aviation Airports</b> Any airport used for general purposes.	<b>39</b>
<b>TOTAL SYSTEM AIRPORTS</b>	<b>58</b>

# PRIMARY AIRPORT SYSTEM



- PRIMARY COMMERCIAL SERVICE
- ⊖ NON-PRIMARY COMMERCIAL SERVICE
- RELIEVER
- GENERAL AVIATION

## AIRPORT DEVELOPMENT

The Airport Development Section is responsible for the administration of the statewide 5-year Airport Development Program. The administration of this program involves:

- 1) Systematic planning coordination to insure logical and equitable growth for all public-owned and public-use airport facilities within the state.
- 2) Funding aid and assistance to airport sponsors.
- 3) Technical support for airports and airport projects.
- 4) Grand Canyon Airport construction projects.

### PLANNING

The planning process for the 5-year Airport Development Program focuses on an extensive evaluation of needs, directed toward developing an improvements program consistent with the goals established in the recently published State Airport System Plan. Needs are then related to anticipated funds to arrive at a financially balanced program that makes the best use of available aviation dollars.

### FUNDING

Airport construction and development in Arizona is accomplished through a cooperative effort involving three levels of government - federal, state and local. Each of these governmental units has shared in the financing of airport development projects in the state.

The Federal Airport Improvement Program, when viewed in dollars allocated per year, has increased 500% from 1976 to 1984 and has doubled from 1982 to 1984. This is an indicator of the growth of aviation in Arizona and the success of the Aeronautics Division in obtaining discretionary funding from Federal Aviation Administration (FAA). Figure No. 1 depicts this graphically.

At the local level, funds for airport development may come from several sources. General fund contributions, revenue from general obligation bonds, user taxes and revenues from airport leases and concessions are some of the primary sources of funding. However, in terms of airport needs, the local communities will be unable to keep pace without increased federal or state assistance. Under the current program, the local sponsor provides a matching share of just under five per cent on federal participating projects and ten per cent on state/local projects.

The number of airport projects has increased substantially. Between FY 1975 and FY 1979, a total of 57 airport projects were completed. During the next five-year period from FY 1980 to FY 1984, the total number of completed projects rose to 143. This represents an increase of 150% when comparing the two five-year periods. Forecasts for FY 1985 estimate that 45 projects will be completed. Figure No. 2 illustrates this increase.



# FAA GRANT FUNDS EXPENDED IN ARIZONA

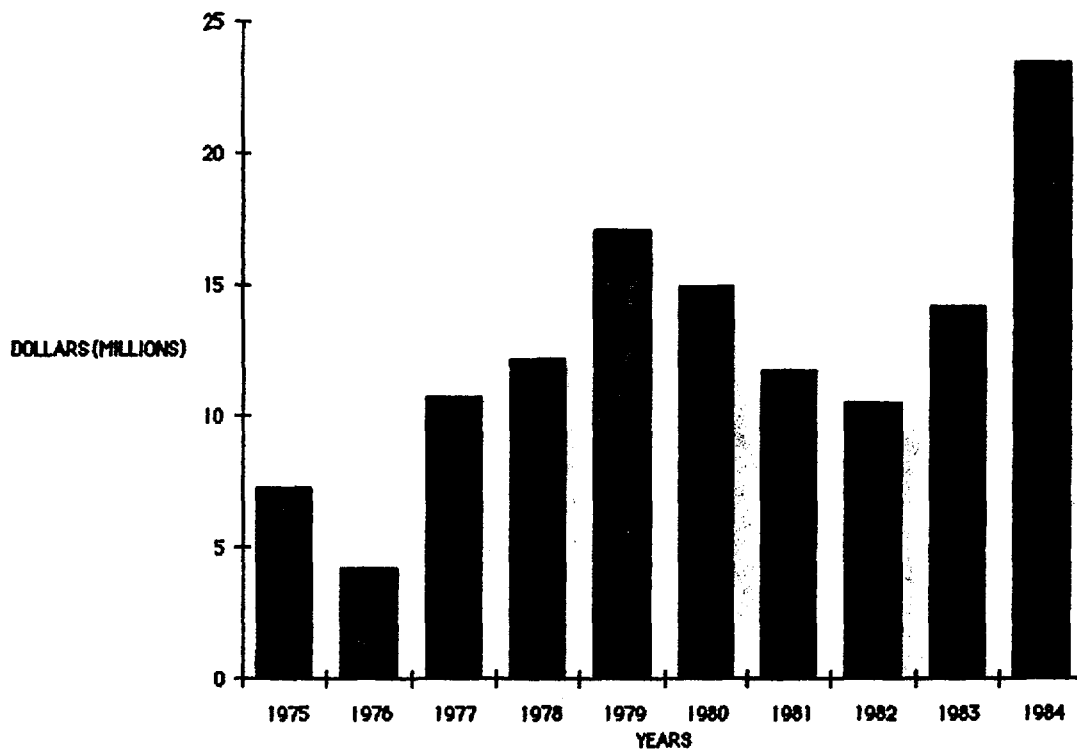


FIGURE NUMBER 1

## NUMBER OF COMPLETED AIRPORT PROJECTS

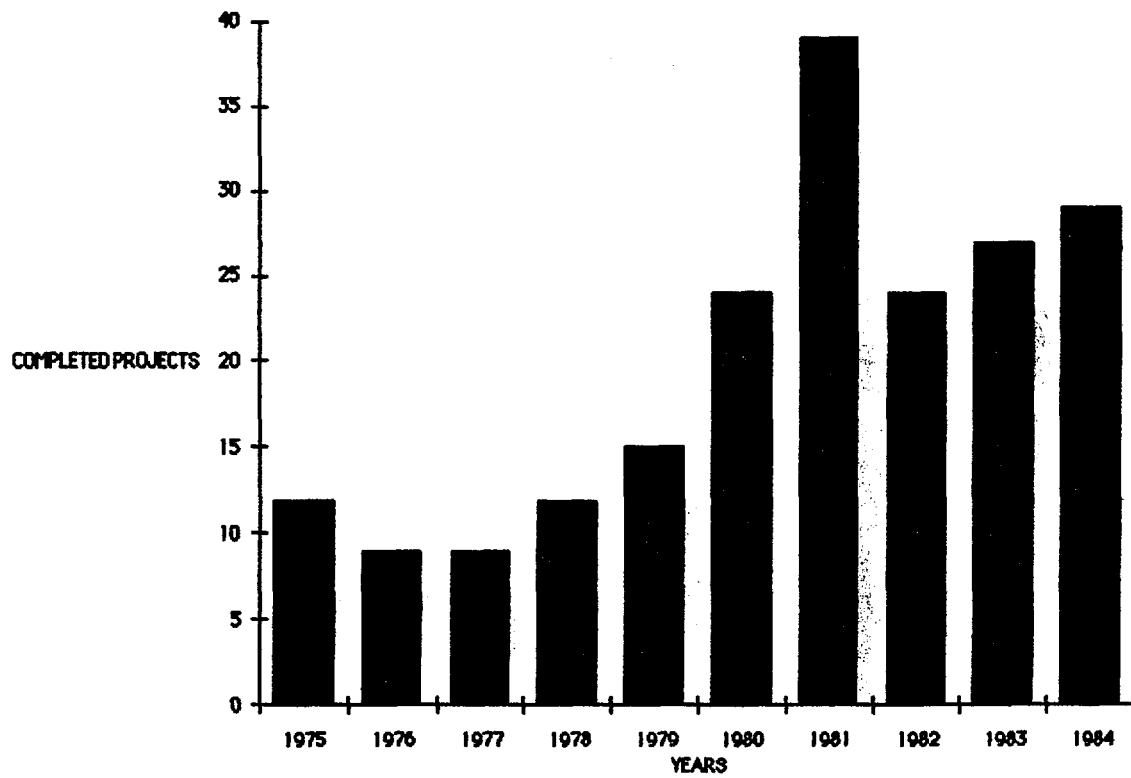


FIGURE NUMBER 2

# STATE GRANT FUNDS EXPENDED

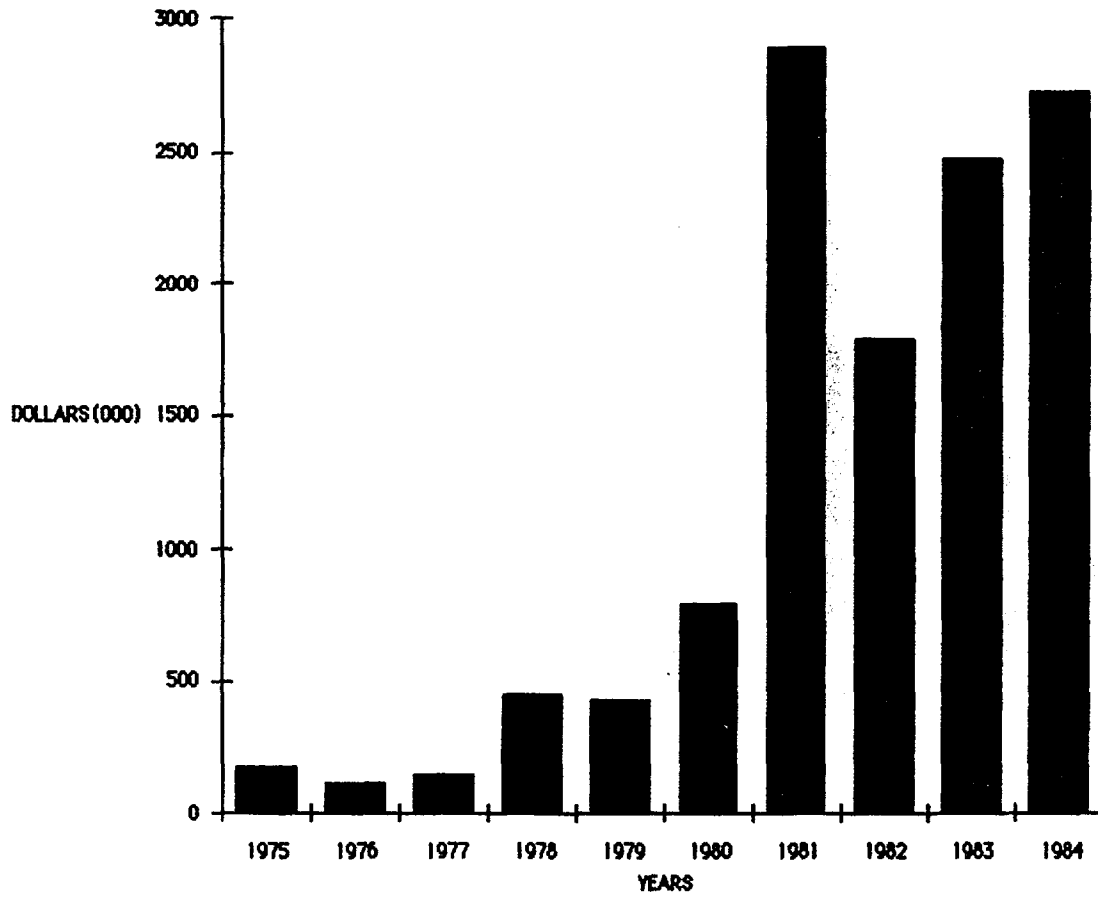


FIGURE NUMBER 3

Additionally, State expenditure amounts for completed projects has increased as Figure No. 3 indicates. Between FY 1975 and FY 1979, a total of \$1.315 Million of state funds were expended on completed airport projects. During the next five-year period from FY 1980 to FY 1984, the total amount of State expenditures for completed projects rose to \$10.689 Million. The amount of expenditures for closed projects for FY 1985 is estimated to be \$4.5 Million. The dramatic increase in the amount of State grant expenditures during the past five years reflects the high demand for airport improvements at the present time and further supports the projected high demands in the next 10 years.

If present revenue sources remain the same, only a small growth in state aviation revenues can be anticipated over the next 10 years. Unless new sources are found, the projected economic outlook for the state airport system is not good. The Governor's Aviation Futures Task Force Report concludes that a shortfall in revenues of \$422 million exists for the State airport system, during the next ten years.

### **PROJECT ADMINISTRATION**

All airport construction projects funded through the Five-Year Airport Development Program are subjected to technical review and monitoring from design through construction. During the design phase, the Airport Development Section assists sponsors in locating and interpreting design criteria. Additional assistance is granted by reviewing and commenting on engineering agreements, plans, specifications and contract documents for compliance with State grant requirements.

As the project progresses through the construction phase, the Airport Development section reviews bid tabulations, performs field reviews of work during construction, reviews field and laboratory procedures and test results and analyzes and approves change orders. At the conclusion of the project, a final inspection is performed. As-built plans and certified quantities are required before final payment is made. Projects are audited to ensure compliance with grant and contractual requirements.

### **TECHNICAL ASSISTANCE**

The objective is to improve construction quality, decrease construction costs, and simplify administrative procedures through all stages of the project.

Construction quality has been upgraded by more thorough review of plans and specifications, by improved requirements for field and laboratory testing of materials and by the initiation of a record sampling program with the cooperation of the Highways Division.

The Airport Development Section also provides technical support for special aeronautical studies and the development of conceptual airport plans. Local sponsors may, at any time, receive technical comment in the development of their airports.

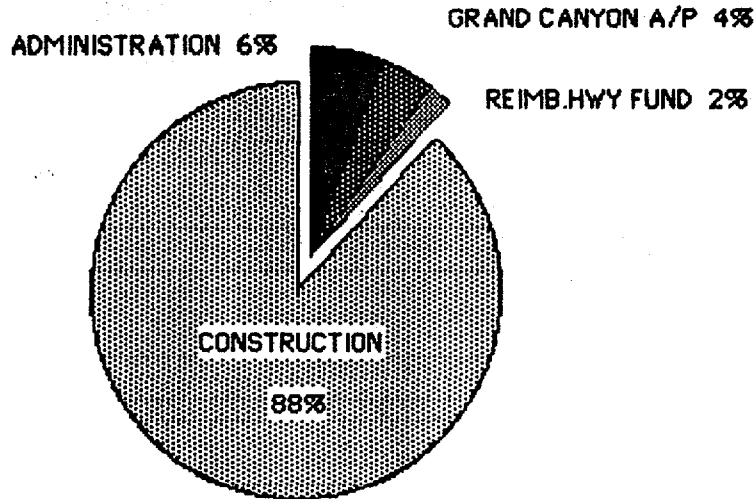
Construction costs are being decreased by encouraging the use of locally available mineral materials, rather than using nationally developed FAA specification materials which may require special crushing or extensive transportation. Construction of experimental pavements using less expensive binders such as sulfur is also being encouraged. The sponsor's administrative burden has been reduced by providing assistance through the Airports Program section in fulfilling both State and Federal requirements. Where possible, forms already required by the Federal Government are used for State needs, reducing duplication of effort.

#### GRAND CANYON AIRPORT CONSTRUCTION ENGINEERING

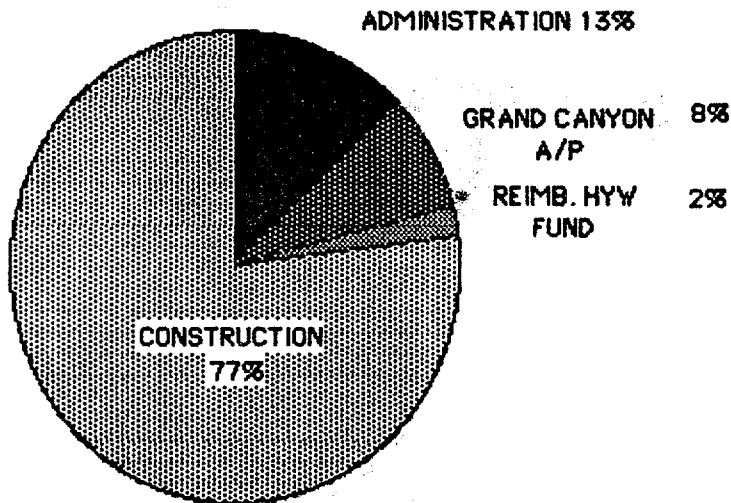
The Airport Development Section is also in charge of engineering and administering construction projects at the State-owned Grand Canyon Airport. All funding, pavement and project authorizations are processed by the Airport Development Section.

All engineering phases of construction work undertaken at the Grand Canyon Airport, are either performed directly by this office, as in design and contract administration, or coordinated with personnel directly on site, as in progress inspections, utilizing assistance from the Highways Division.

# **STATE AVIATION FUND DOLLAR ALLOCATION 1984**



## **STATE AVIATION FUND DOLLAR ALLOCATION 1983**



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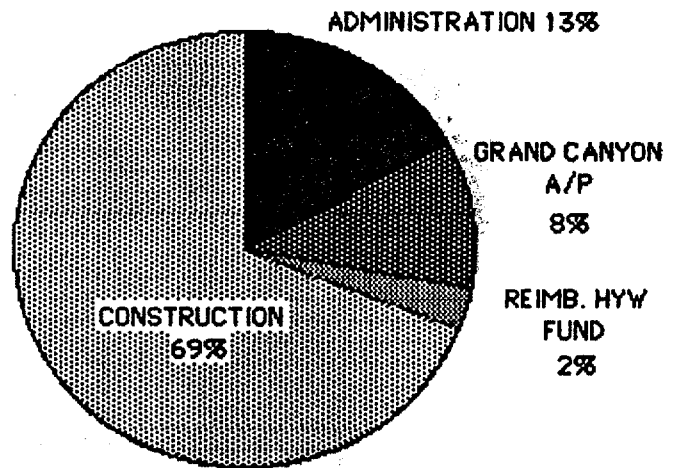


Table 1AIRPORT PROJECTS COMPLETED IN FISCAL YEAR 1983-84

<u>DATE</u>	<u>AIRPORT</u>	<u>FUND#</u>	<u>STATE</u>	<u>LOCAL</u>	<u>FEDERAL</u>	<u>TOTAL</u>
7/83	Springerville Security Fencing	90667	\$ 15,997	\$ 1,778	\$ 0	\$ 17,775
7/83	Show Low Non-Directional Beacon	90551	25,171	2,797	0	27,968
8/83	Payson Rwy Rehab. Design- Phase 1&2	90638	10,800	1,200	0	1,200
8/83	Show Low Parking Apron	90549	5,528	5,528	112,606	123,662
9/83	Bagdad Seal & Extend Main Rwy	90602	151,184	16,798	0	167,982
10/83	Cottonwood Security Fencing	90615	30,090	3,343	0	33,433
10/83	Holbrook Overlay Rwy; Turnarounds; Land Acq.	90533	19,263	19,263	392,421	430,947
10/83	Kingman Overlay Apron	90535	5,198	23,086	316,373	344,657
12/83	Buckeye Master Plan & EIS	90505	45,000	5,000	0	50,000
12/83	Flagstaff-Pull Security Fence	90640	18,687	2,076	0	20,763
12/83	Globe Security Fence	90632	14,022	1,558	0	15,580
12/83	Tolleson Heliport Layout Plans & EIA	90557	10,260	1,140	0	11,400
12/83	Holbrook Rwy Extension Design & EIA	90636	37,670	4,186	0	41,856
12/83	Winslow Surface Taxiway	90567	5,198	14,502	200,656	220,356

Table 1 - Continued

**AIRPORT PROJECTS COMPLETED IN FISCAL YEAR 1983-84 -- Continued**

<u>DATE</u>	<u>AIRPORT</u>	<u>FUND*</u>	<u>STATE</u>	<u>LOCAL</u>	<u>FEDERAL</u>	<u>TOTAL</u>
2/84	Nogales Surface Runway 3/21	90637	228,224	25,358	0	253,582
2/84	Glendale Land Acquisition	90631	510,300	56,700	0	567,000
3/84	Bisbee Seal and Extend Main Runway	90603	11,519	16,538	285,785	313,842
3/84	Mesa-Falcon Grade, Drain & Surface Rwy	90626	265,047	89,726	995,575	1,350,348
3/84	Prescott-Love Reconstruct Txy & Apron	90721	38,911	38,911	792,670	870,492
3/84	Chandler Grade, Drain & Surface Rwy	90606	352,526	39,169	0	391,695
3/84	Show Low Surface Runway 3/21	90666	249,394	27,710	0	277,104
4/84	Tucson-Ryan Grade, Drain & Surf. Rwy 6/24 Ext.	90641	197,504	10,127	504,033	711,664
5/84	Mesa-Falcon Grade, Drain & Surface Apron	90711	219,743	24,416	0	244,159
5/84	Taylor Obstruction Removal	90741	49,676	5,520	0	55,196
6/84	Safford Grade, Drain & Surf. Parallel Txy	90753	19,348	19,348	394,155	432,851
6/84	Cochise Coll. Master Plan	90513	10,755	1,195	0	11,950
6/84	Holbrook Grade, Drain & Surf. Rwy 3/21 Ext.	90731	142,700	53,732	0	196,432
6/84	PHX-Deer Vall. Grade, Drain & Surf. Apron and Txy; Constr. Perimeter Rd.	90715	29,300	30,920	629,879	690,099
6/84	Sierra Vista Grade, Drain & Surf. Apr & Acc. Rd.	90737	16,394	16,394	333,970	366,758
<b>TOTAL</b>			<u>\$2,735,409</u>	<u>\$ 558,019</u>	<u>\$4,958,123</u>	<u>\$8,251,551</u>



## AIRCRAFT REGISTRATION

The aircraft registration section is responsible for the registration of all aircraft based in Arizona. This involves the collection of an aircraft registration fee and a lieu tax (in lieu of personal property tax) which is mandated by law to be one percent of the average fair market value. The division uses the The Price Digest (wholesale Blue Book) for its source on most aircraft. The fees and taxes must be paid annually by the last day of February or within sixty days after entry into the state. Aircraft owned by scheduled airlines are required to pay a flight property tax to the department of Revenue, but do not register or pay the aircraft lieu tax to the Aeronautics Division. In addition, dealer aircraft are exempt from the lieu tax if the aircraft is not used commercially and held for resale only. An aircraft in storage is also exempt if a proper and timely affidavit is filed. A non-resident may remain in the state ninety days in a calendar year without registering.

The revenues collected are deposited in the State aviation fund and can only be used for construction, development and improvement of publicly owned airports throughout the State.

Aircraft registration has experienced a rapid rate of growth since 1976. The number of registered aircraft has increased by 46% while collections have risen 430% during this time. Revenue collections for 1983-84 was over \$2,200,000.

Arizona Revised Statutes authorizes the Division to lien and seizure aircraft to collect past due taxes. During 1983-84 339 liens were issued and 110 aircraft were seized. Liens are filed with the Federal Aviation Administration in Oklahoma City or with county recorders in fifteen counties. Civil penalties may also be assessed for false statements, attempting to hide an aircraft to avoid taxes or failing to provide information requested by the Division.

The Aircraft Registration Section works very closely with law enforcement agencies such as the Federal Bureau of Investigation (FBI), (DEA), Department of Public Safety (DPS), Internal Revenue Service (IRS), National Narcotics Border Interdiction System (NNBIS), county sheriff's offices and city police as well as task forces. Our registration records are useful in determining true ownership as well as historical background of an aircraft. The Section has developed a reputation nationwide for having the most current ownership information available.

The Aircraft Registration Section has been successful in getting banks and lending agencies to rewrite their manuals on aircraft loans to include a check with the division to see if an aircraft is properly registered and current with the taxes. This helps save problems in many instances for the lending agency as well as the prospective buyer.

The Section uses an on-line automated records system. Changes are initiated as they are received, thus assuring more accurate records. This information and data base records are available to the Arizona Department of Public Safety computers and are available to law enforcement State-wide. Also, these aircraft records are available on a twenty-four hour basis.

Registration information is available to consultants, engineering firms and various planning groups for future planning for airports as well as forecasting for future development. A service is provided to the airports in identifying aircraft when a bad credit card has been used or an aircraft is attempting to avoid landing and tie-down fees.

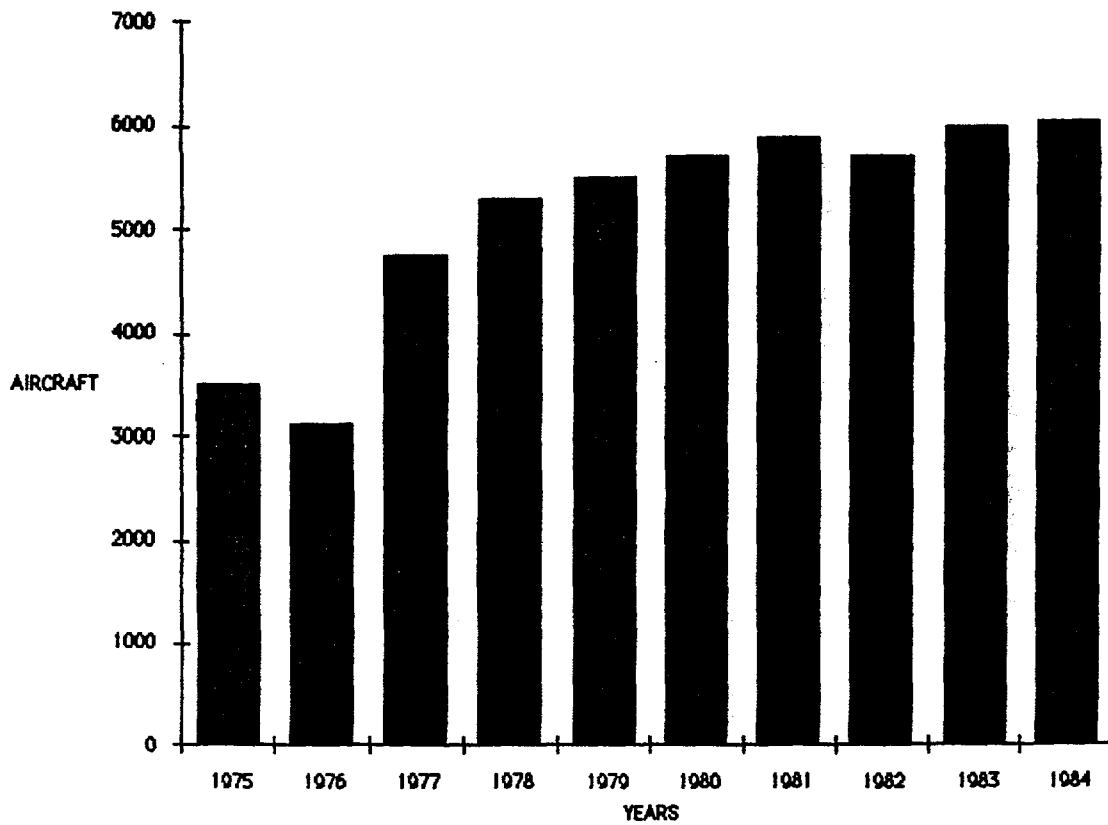
The Aircraft Registration Section certifies aircraft dealers in the State. A surety bond is required to be posted with the Division primarily for consumer protection, in the amount of \$10,000. An aircraft purchaser can file against the bond if a deal is misrepresented. In addition, if a dealer sells an aircraft out of State with past-due taxes, the Division can file against the bond to recover the amount.

The Registration Section frequently checks airport ramps and records all "n" numbers and locations. The lists are then computerized to determine if the aircraft are registered with the State. The Section also reviews requests for aviation fuel refunds to help determine if the aircraft are registered.

#### FISCAL YEAR 1983-84

Balloons-----	113
Gliders-----	96
Antiques-----	123
Experimentals-----	124
Rotorcraft-----	212
Land Planes-----	5,204
Agricultural Planes-----	128
Army Surplus-----	53
<hr/>	
NUMBER OF AIRCRAFT REGISTERED-----	6,053

### NUMBER OF AIRCRAFT REGISTRATIONS



### LIEU TAX & REGISTRATION FEES

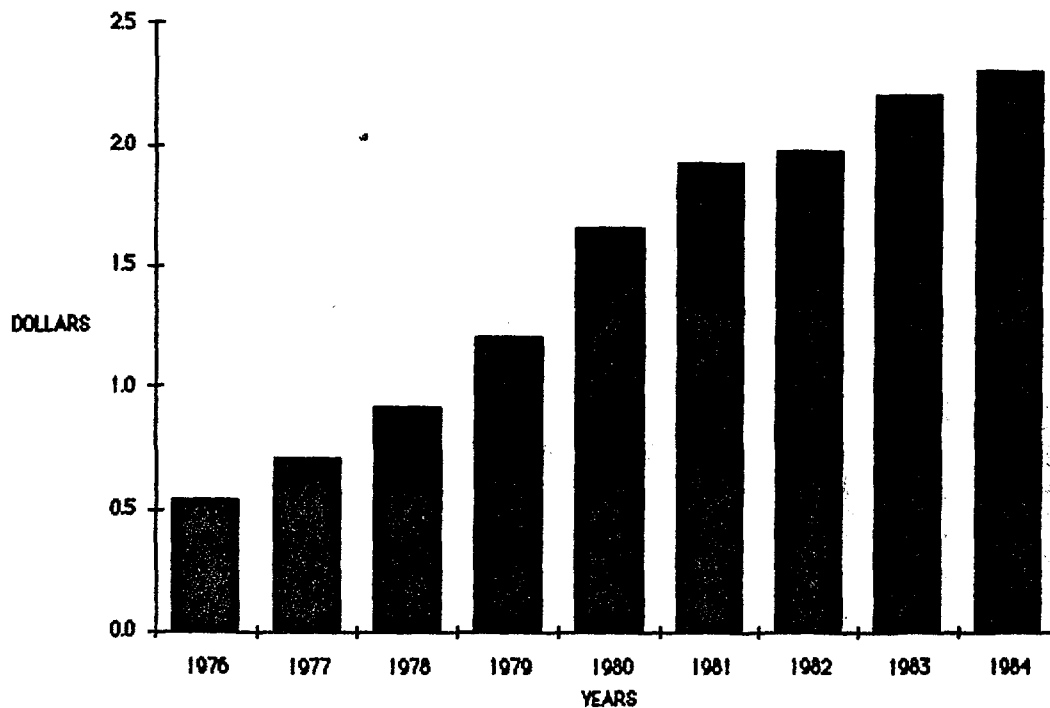


Table 2

**HISTORICAL  
AIRCRAFT REGISTRATION DATA**

<u>FISCAL YEARS</u>	<u>AIRCRAFT REGISTERED</u>	<u>AIRCRAFT LIEU TAX</u>	<u>AIRCRAFT REG. FEES</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL REV. TAX &amp; REG</u>
66-67	1,386	\$	\$ 5,132	\$	\$	\$ 5,132
67-68	1,541		5,037			5,037
68-69	1,795	103,528	8,818			112,346
69-70	2,135	105,058	10,876			160,930
70-71	2,499	160,731	12,248			172,979
71-72	2,945	210,202	15,238			225,440
72-73	3,283	239,821	16,308			256,129
73-74	3,463	424,776	18,641			443,417
74-75	3,487	468,546	19,590			448,136
75-76	4,073	511,330	19,585			530,915
76-77	4,372	699,569	22,213	15,510	2,864	740,156
77-78	5,131	941,568	23,129	9,295	1,668	980,791
78-79	5,289	1,264,776	24,972	10,800	1,409	1,301,957
79-80	5,403	1,608,107	26,156	19,372	5,123	1,658,757
80-81	5,846	1,851,033	27,460	18,662	8,374	1,905,649
81-82	6,009	1,904,154	27,276	19,764	9,210	1,960,405
82-83	6,062	1,949,822	28,210	25,807	15,267	2,019,106
83-84	6,058	2,194,838	29,138	24,268	16,311	2,264,555

EXCLUDING DEALERS AND STORED AIRCRAFT - CALENDAR DATA

SOURCES- AERONAUTICS DIVISION ARIZONA DEPARTMENT OF TRANSPORTATION

## **ADMINISTRATION**

This section is responsible for the day-to-day operation of the Division. The activities of the Division Director and the Deputy Division Director are included under this section. The Administrative Section is continually involved with a wide spectrum of aviation issues which range from answering inquiries from the public to involvement in national issues of major significance to the aviation community.

The Division Director is currently serving as the President on the National Association of State Aviation Officials (NASAO) Board of Directors. As a result, activities such as meetings with the FAA management staff on issues affecting Arizona regarding Flight Service Station (FSS) and Tower closures; heliport and airport construction funding, Part 77 obstacle criteria and Federal/State relationship on various issues has transpired. Also, the Division attended the Winter Conference of the NASAO to develop working relationships with the National Air Transport Association; Airport Operators Council International, Aircraft Owners and Pilots Association and American Association of Airport Executives. The Division Director has also testified before Congress on such matters as administrative budget for aviation, Essential Air Service program and the regulation of ultralights and various other issues.

Additionally, the Division participated and made presentations at the fall conference of the Arizona Airports Association meeting. The staff participated in both Maricopa Association of Governments (MAG) and Pima Association of Governments (PAG) Regional Airport and Heliport System Planning meetings. Technical assistance was provided to the Tucson Planning Advisory Committee on a proposed helicopter ordinance which would have eliminated all helicopter operations in Tucson and has resulted in the preparation of a more acceptable ordinance. Briefings with consultants have been held providing information regarding the Statewide Aviation Needs Study. Coordination of data from the MAG and PAG Regional Aviation System Plan (RASP) studies have been established to ensure proper dovetailing of findings. Since the development of the State Airport System Plan (SASP), the Administrative Section is continually updating the plan in order to forecast activities of airports throughout the system.

The State Aviation Fund expenditures are approved through an annual budget cycle by the State Legislature. The Legislature approves an administrative budget, a Grand Canyon operating budget, and the remaining available funds in a lump sum amount to be used for airport construction and development.

The Transportation Board, through public hearings and a priority rating system, approve individual airport construction projects as published in the Five-Year Airport and Highway Construction Program.

An aviation data base and management information system was started in October of 1983, upon delivery of the Division's first microcomputer. The five year airport development program was automated for the first time, improving staff productivity in the area of statistical calculations.

A national survey of micro-computers in the state aviation offices was also completed; establishing a basis for future telecommunications with them, as well as, the National Association of State Aviation Officials (NASAO). Similarly, research was performed on establishing an electronic bulletin board with micro-computers.

Efforts were also coordinated with the FAA and local airport managers in verifying their data base to be used in the development of the National Plan of Integrated Airport Systems (PIAS). Work was also started on coordinating the automation of the FAA's 5010 data base and field inspection program.

The Administrative Section supplies all support staff for the operational sections, including budget preparation, accounting and fiscal controls, management policy and direction. Also provided are all secretarial and clerical support, records management and personnel services within the Division. This section closely monitors the State Aviation Fund revenues and expenditures. The Aviation Fund receives revenue from a variety of sources including:

- a. State aviation gas taxes which are taxed at \$.10 per gallon, with \$.09 being refundable;
- b. State aircraft lieu tax on non-airline aircraft are concurrently assessed at 1% of the fair market value of the aircraft;
- c. All revenues from the operation of the Grand Canyon National Park Airport; and
- d. Excess funds on deposit are invested by the State Treasurer.

In addition, any Federal grants given to the Division are also listed as revenue, although, technically, can be considered reimbursement for expenses incurred.

Table 3

**AERONAUTICS DIVISION  
ADMINISTRATION  
REVENUE AND EXPENDITURES**

	<u>1978-1979</u>	<u>1979-1980</u>	<u>1980-1981</u>	<u>1981-1982</u>	<u>1982-1983</u>	<u>1983-1984</u>
<b>BEGINNING FUND BALANCE:</b>	\$2,000,000	\$3,200,000	\$3,600,000	\$3,300,000	\$4,000,000	\$4,700,000
<b>REVENUE:</b>						
Aviation Fuel Tax	\$ 334,000	\$ 316,000	\$ 441,000	\$ 380,600	\$ 314,639	\$ 356,399
Aircraft Lieu Tax	1,268,000	1,614,000	1,858,000	1,898,600	2,009,548	2,194,838
Aircraft Reg. Fee	35,000	46,000	48,000	47,200	55,600	29,138
Misc.&Investments	<u>217,000</u>	<u>375,000</u>	<u>479,000</u>	<u>380,000</u>	<u>395,400</u>	<u>427,745</u>
<b>TOTAL</b>	<b>\$1,854,000</b>	<b>\$2,351,000</b>	<b>\$2,826,000</b>	<b>\$2,706,400</b>	<b>\$2,775,187</b>	<b>\$3,008,120</b>
<b>PERCENT OF INCREASE</b>	<b>28.6%</b>	<b>26.8%</b>	<b>20.2%</b>	<b>( 4.2%)</b>	<b>2.5%</b>	<b>8.4%</b>
<b>EXPENDITURES :</b>						
FTE	\$ 10	\$ 11	\$ 12	\$ 14	\$ 14	\$ 14
Personal Services	148,800	153,500	232,400	269,200	292,500	289,308
ERE	28,100	29,100	45,800	48,800	55,600	54,968
Professional & Outside Services	32,400	29,100	32,300	25,000	5,000	2,851
Travel In-State	9,100	10,800	12,100	8,800	10,600	14,455
Travel Out-of-State	6,200	7,780	5,200	6,200	8,900	10,455
OOE	54,650	43,470	57,500	43,700	57,000	52,388
Capital	700	150	0	0	0	43,522
Reimbursement to Highway Fund	<u>20,000</u>	<u>20,000</u>	<u>64,500</u>	<u>69,000</u>	<u>56,400</u>	<u>36,478</u>
<b>TOTAL</b>	<b>\$ 299,950</b>	<b>\$ 293,000</b>	<b>\$ 449,800</b>	<b>\$ 470,700</b>	<b>\$ 486,000</b>	<b>\$ 504,425</b>
<b>PERCENT OF INCREASE</b>	<b>14.4%</b>	<b>1.5%</b>	<b>53.5%</b>	<b>4.6%</b>	<b>3.2%</b>	<b>3.7%</b>
<b>AIRPORT DEVELOPMENT</b>	<b>443,000</b>	<b>1,617,000</b>	<b>2,731,000</b>	<b>1,639,000</b>	<b>1,637,000</b>	<b>3,850,921</b>
<b>MISCELLANEOUS</b>	<b>2,000</b>	<b>0</b>	<b>16,000</b>	<b>11,000</b>	<b>8,700</b>	<b>0</b>
<b>TOTAL EXPENDITURES</b>	<b>744,950</b>	<b>1,910,900</b>	<b>3,196,800</b>	<b>2,120,700</b>	<b>2,131,700</b>	<b>4,355,346</b>
<b>NET INCOME (LOSS)</b>	<b><u>\$1,109,050</u></b>	<b><u>\$ 441,000</u></b>	<b><u>\$ (371,000)</u></b>	<b><u>\$ 585,700</u></b>	<b><u>\$ 643,487</u></b>	<b><u>\$(1,347,226)</u></b>
<b>ENDING AVIATION FUND BALANCE:</b>	<b>\$3,200,000</b>	<b>\$3,600,000</b>	<b>\$3,300,000</b>	<b>\$4,000,000</b>	<b>\$4,700,000</b>	<b>\$3,500,000</b>

\*Beginning and Ending Aviation Fund Balances are approximate to nearest \$100,000.

Table 4

## HISTORICAL AVIATION FUEL TAX DATA

<u>FISCAL YEARS</u>	<u>GALLONS OF FUEL</u>	<u>1 CENT/GAL AVIATION FUEL TAX</u>	<u>UNCL/UNREF AV FUEL TAX</u>	<u>TOTAL REVENUE FROM GAS TAXES</u>
66-67	5,766,744	\$	\$ 106,791	\$ 106,791
67-68	5,828,129		107,935	107,935
68-69	5,798,436		102,283	102,283
69-70	5,331,384	34,528	105,996	140,524
70-71	5,818,298	59,367	110,462	169,829
71-72	6,144,510	60,307	107,932	168,239
72-73	5,885,395	59,395	126,475	186,870
73-74	6,444,930	64,207	130,815	195,022
74-75	6,871,623	69,781	143,084	212,865
75-76	7,075,481	68,343	174,982	243,325
76-77	9,577,534	72,506	186,152	258,658
77-78	9,541,147	69,926	213,890	283,816
78-79	8,159,000	85,159	254,113	339,272
79-80	9,054,499	90,545	252,089	342,634
80-81	12,453,322	124,533	324,023	448,556
81-82	11,228,545	112,285	268,315	380,600
82-83	8,482,597	84,826	224,728	309,554
83-84	8,227,983	82,279	274,120	356,399



## GRAND CANYON NATIONAL PARK AIRPORT

The Aeronautics Division is responsible for the maintenance, operation and improvements of the only State-owned airport in Arizona. The Airport is located seven miles from the south rim, and was originally constructed with funds from the Department of Interior, the Federal Aviation Administration and the State of Arizona.

Today, it is the third most active air carrier airport in the State following Phoenix Sky Harbor and Tucson International. The airport is presently served by Republic Airlines and over 70 air taxi and commuter carriers. Annual aircraft operations decreased during the year to 91,665 and the total number of passengers for 1984 is estimated to be 458,325.

The Department is in the process of leasing the operation, maintenance and development of the airport to private industry. Responses to a Request for Proposals have been reviewed with presentations by the three finalist completed. A recommendation to the Department is now pending.

An administrative rule-making procedure was promulgated to establish rates and fees for airport users. Financially, in terms of operational expenses, the airport is firmly operating in the black. Revenue figures indicate the airport made \$360,000 during the fiscal year 1983-84.

**GRAND CANYON AIRPORT**  
REVENUE VS. EXPENDITURES

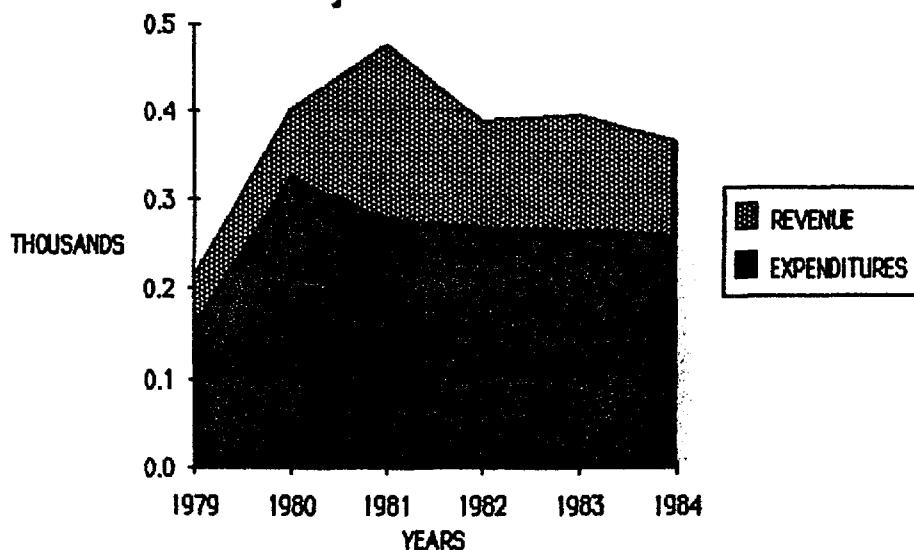


Table 5

**COMPARISON OF AIRPORT STAFFING TO PASSENGER AND AIRCRAFT OPERATION VOLUMES  
AT PHOENIX, TUCSON AND THE GRAND CANYON AIRPORTS  
ON A FISCAL YEAR BASIS**

<b>PHX-SKY HARBOR</b>	<b><u>FY 80-81</u></b>	<b><u>FY 81-82</u></b>	<b><u>FY 82-83</u></b>	<b><u>FY 83-84</u></b>	<b><u>EMPLOYEES</u></b>	<b>RATIO EMPLOYEES TO CURRENT <u>TOTAL PASSENGER</u></b>	<b><u>OPERATIONS</u></b>
Total Passengers	6,530,889	7,067,662	8,133,075	9,151,728		25,422 to 1	
Total Operations	374,179	359,612	349,663	338,100	360 + police and other support		1,039 to 1

FY - CITY  
THRU JUNE 30, 1984

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**TUCSON**

Total Passengers	1,720,979	1,707,176	1,850,997			12,563 TO 1	
Total Operations	284,534	249,645	234,581	304,869	160 + part time		1,502 to 1

FY-Tucson  
THRU SEPT. 30, 1982  
ADJUSTED -  
THRU JUNE 30, 1984

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**GRAND CANYON AIRPORT**

Total Passengers	539,611	549,974	504,247	458,325		50,925 to 1	
Total Operations	99,928	101,847	93,379	91,665	9		10,185 to 1

FY - STATE  
THRU JUNE 30, 1984

**RE: TABLE ON THE GRAND CANYON AIRPORT**

The estimated number of total passengers at the airport is shown in this table. The number has been estimated from the number of operations on an annual basis. The average type aircraft operating at the airport is a 10 passenger aircraft of the Cessna 414 category. Total passengers are defined as passengers getting on and off of aircraft at the airport. An operation is defined as a take-off or a landing.

Table 6

**HISTORICAL  
GRAND CANYON AIRPORT  
REVENUE AND EXPENDITURES  
AIRCRAFT OPERATIONS AND PASSENGERS ENPLANED**

	<u>1978-1979</u>	<u>1979-1980</u>	<u>1980-1981</u>	<u>1981-1982</u>	<u>1982-1983</u>	<u>1983-1984</u>	84-85
Revenue:	\$ 213,000	\$ 404,000	\$ 476,800	\$ 390,000	\$ 395,300	\$ 362,826	321,564
Percent of Increase (Revenue)	40.1%	89.7%	18.1%	(18.2%)	1.4%	(8.2%)	
Expenditures :							
FTE	6	6	9	9	9	9	
Personal Services	74,670	95,840	120,300	120,400	128,170	136,490	
ERE	19,040	21,860	28,000	22,890	24,350	25,933	
Profession & Outside Svcs.	14,800	15,640	15,600	8,590	2,420	0	
Travel In-State	900	500	600	200	360	196	
Travel Out-of-State	200	1,635	2,600	1,000	0	0	
Other Operating Exp.	50,250	55,195	106,200	116,320	107,860	96,620	
Capital Equipment	1,700	135,350	2,400	0	2,420	738	
Total Expenditures	\$ 160,460	\$ 326,020	\$ 275,700	\$ 269,400	\$ 265,580	\$ 259,977	
Percent of Increase (Expense)	( 5.4%)	103.2%	15.4%	(2.3%)	(1.4%)	(2.1%)	
Net Income (Loss)	<u>\$ 52,840</u>	<u>\$ 77,980</u>	<u>\$ 179,800</u>	<u>\$ 120,600</u>	<u>\$ 129,720</u>	<u>\$ 102,849</u>	
Grand Canyon Airport Annual A/C Operations	\$ 66,420	\$ 96,290	\$ 100,354	\$ 101,847	\$ 93,429	\$ 91,665	
Percent of Increase (Decrease)	33.3%	44.9%	4.2%	1.5%	(8.3%)	(1.9%)	
Estimated Annual Passengers Enplaned	332,100 <sup>a</sup>	481,450	501,770	509,235	467,145	458,325	
Percent of Increase (Decrease)	33.3%	44.9%	4.2%	1.5%	(8.3%)	(1.9%)	

## AIR SERVICE

The Air Service section is responsible for assisting in the orderly development of the commercial air transportation system serving the state. This section assists both communities and airlines in air service matters which are of regional or statewide significance. It coordinates the development and makes policy recommendations concerning the state's position in relation to air service legislation, administrative rulemaking and legal proceedings before the Civil Aeronautics Board (CAB), the Department of Transportation (DOT), Federal Aviation Administration (FAA), or Congress. The Air Service section works with other state agencies to ensure common directions are taken in the promotion and improvement of air service.

Since 1978, there have been dramatic changes brought about as a result of the Airline Deregulation Act. Prior to its enactment, the Division was active in both domestic and international route awards, along with the federal certification proceedings of Cochise and Skywest Airlines, a legal process which took more than three years.

Since that time, the section has primarily been concerned with the small communities Essential Air Service (EAS) provision of the Airline Deregulation Act. Eight Arizona communities were assisted in the evaluation of EAS determinations from the CAB. They include Flagstaff, Grand Canyon, Kingman, Page, Prescott, Winslow, Yuma and Douglas. Three cases Kingman, Prescott and Douglas required an extensive amount of time and effort by the Division, which have resulted in air service improvements for Kingman and Prescott and a determination denial for Douglas. Prescott air service has increased from one airline and two flights per day to Phoenix in 1980, to 16 flights per day by two airlines in 1984. Additionally, Prescott now has six flights to Las Vegas via Bullhead City and Kingman and daily service to Sedona.

EAS carrier selection cases at Kingman, Prescott, and Winslow were also monitored. All cases were pending at the close of FY 83-84.

Canadian air service authority was awarded to America West Airlines of Phoenix for service to Calgary and Edmonton via Las Vegas. In 1982, Governor Babbitt had requested that Phoenix be considered as a primary destination point in the State Department's bilateral negotiations.

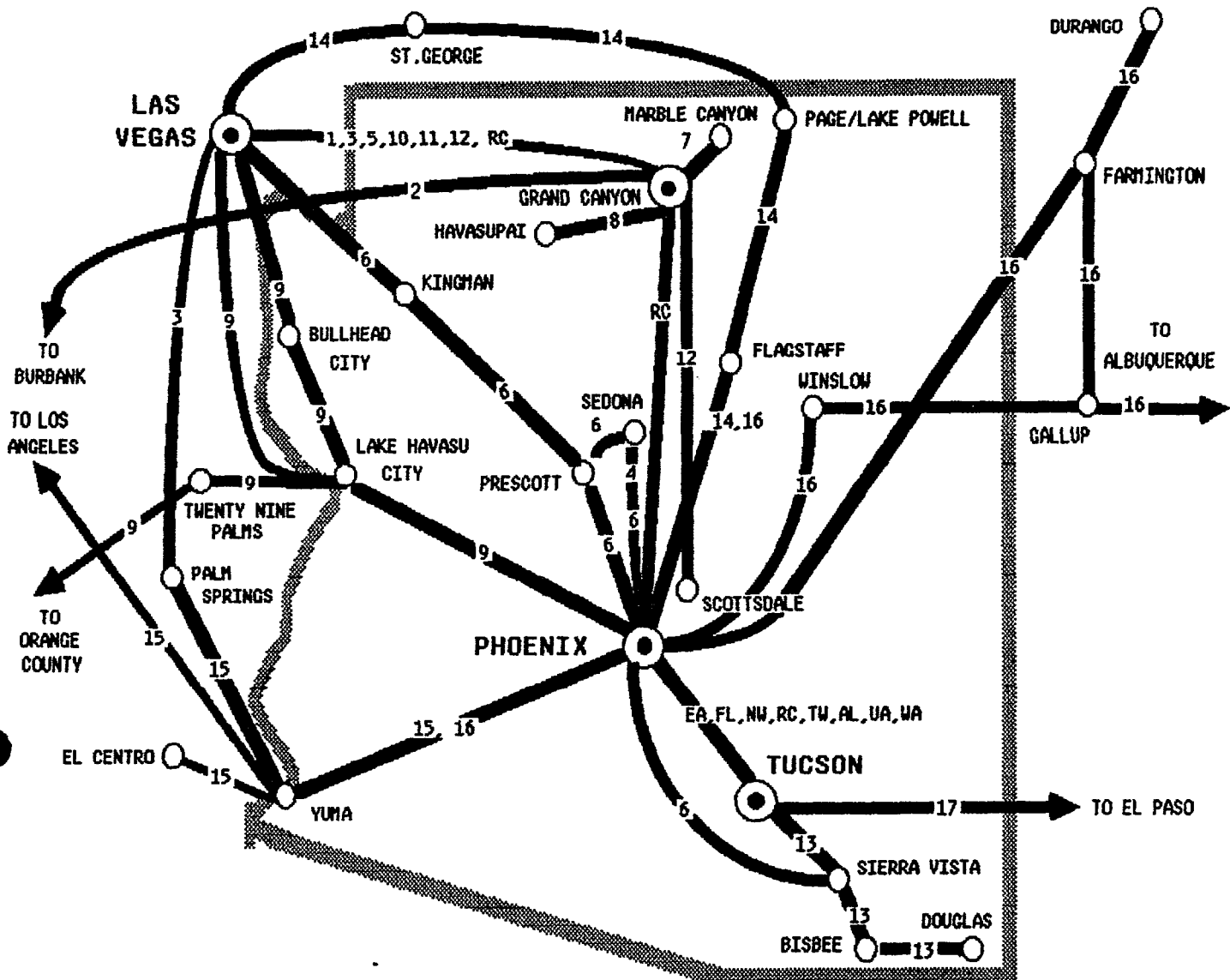
The section also monitors air passenger traffic in the state to verify FAA's findings and coordinate errors with local airport sponsors. Such statistics are used by FAA to determine airport improvement funds. Since 1980, this effort has netted approximately \$300,000 in entitlement funds alone for the State owned Grand Canyon National Park Airport.

A domestic air passenger analysis of both Phoenix and Tucson was completed in February, at the request of member from the State Legislature. Copies were also provided to various commuter and major airlines, airport managers and civic groups.

Planning responsibilities were transferred to the Division in the Spring of 1984. The Aviation Needs Study, a legislative mandate on the performance of the State's transportation system, was coordinated by the Division. Expected completion date is December 1984.

The map on the following page depicts the current routes flown by both major and commuter airlines within the boundaries of Arizona as of May 1984.

# SCHEDULED AIR SERVICE ROUTES



## COMMUTER AIRLINES

1. AIR CORTEZ
2. AIR LA
3. AIR NEVADA
4. AIR SEDONA
5. AIR RESORTS
6. GOLDEN PACIFIC AIRLINES
7. GRAND CANYON AIRLINES
8. GRAND CANYON HELICOPTERS
9. HAVASU AIRLINES

10. LAS VEGAS AIRLINES
11. ROYAL AMERICAN
12. SCENIC AIRLINES
13. SIERRA VISTA AVIATION (FLAGSTOP SERVICE)
14. SKYWEST AIRLINES
15. SUN AIRE LINES
16. SUN WEST AIRLINES
17. AIRWAYS OF NEW MEXICO

MAY 1984

### LEGEND

- SCHEDULED AIR SERVICE POINTS
- AIRPORTS WITH JET SERVICE
- ROUTES FLOWN

NOTE: MAJOR AIRLINES FLYING ARIZONA INTRASTATE ROUTES INCLUDE: EASTERN (EA), FRONTIER (FL), NORTHWEST ORIENT (NW), REPUBLIC (RC), TRANS WORLD (TW), U.S. AIR (AL), UNITED (UA) AND WESTERN (WA).

## AVIATION SAFETY AND EDUCATION

The Aviation Safety and Education Section is responsible for the dissemination of aviation information, air safety, aerospace education, and monitoring aviation regulations. Duties include planning, organizing and conducting monthly aviation safety seminars. The Section is also a member of the Aviation Safety Advisory Group.

Efforts during 1983-84 concentrated on expansion of the safety seminar program, promoting helicopters and the establishment of public-use heliports, upgrading the newsletter and its publication schedule, and membership on the Arizona Aviation Week organizing committee. Also, the Division has sponsored jointly with the FAA, nine aviation safety seminars Statewide and during Aviation Week, sponsored a Super Seminar with displays, openhouses, airlifts and a valley-wide aircraft parade.

The Aviation Safety and Education Section edits and arranges for the publication of the newsletter, Aviation, as well as arranging for the printing of the Aeronautical Chart and other aviation related information.

Aeronautical chart publication was reinstituted in 1979 and has been greatly appreciated and respected as a flying tool by the aviation community. This year's chart features large scale area charts for the Phoenix, Tucson and Grand Canyon areas, military approach and departure paths, general aviation and Hughes Helicopters' practice areas, and general aviation VFR Flyways.

Additional activities include research and writing for special proposals, responses and reports as needed. A library of video tapes has been started and is being expanded. The State and Regional Defense Airlift Program is maintained and updated by this Section.

The Division also participated in a curriculum review process of the Aeronautical Technology program at Arizona State University. Two new area of study, which follow prescribed FAA courses for hiring, are now available.

During 1983-84, continued emphasis was placed on coordinating the Arizona Airspace Utilization Committee, the informal Airspace Users Committee, and participation on the Heliport Committees for the Arizona Chapter of the American Helicopter Society and the National Association of State Aviation Officials.

During prior years the division has sponsored quarterly aviation safety seminars in Phoenix, Tucson and Prescott. A greatly expanded program was undertaken during '83-'84. Beginning in October, the division coordinated additional seminars during the months between the traditional quarterly seminars. These seminars are designed to attract pilots that may not have attended the traditional meetings in the past. Locations and times have been varied. More diverse subjects are being covered, such as an understanding ultralights seminar in February. Superseminars featuring well known guests were presented in November and during Aviation Week in April.

## **PUBLICATIONS**

### **Aviation**

Aviation is the official publication of the Arizona Department of Transportation, Aeronautics Division and is distributed monthly to Arizona aircraft owners, aviation organizations, in-state news media, federal and state agencies, aviation publications and airline representatives.

The purpose of this publication is to disseminate information on safety, airport development projects, news and activities from local aviation organizations as well as national news affecting aviation.

Aviation has recently been converted to electronic typesetting utilizing the micro-computers, allowing for a significant reduction in the time required in preparation for printing.

### **Arizona Aeronautical Chart**

The Arizona Aeronautical Chart is published annually and distributed through commercial flight operators and airport sponsors. The chart is for aerial navigation and flight planning and provides complete coverage of Arizona, with detailed area charts of Phoenix, Tucson and, with the 1984 edition, the Grand Canyon. The area charts highlight VFR Flyways, military and tour operator routes, and other high density traffic areas.

### **Progress Report**

The annual report is a composite of the activities of the Aeronautics Division over the preceding fiscal year.

### **Accident-Incident Review**

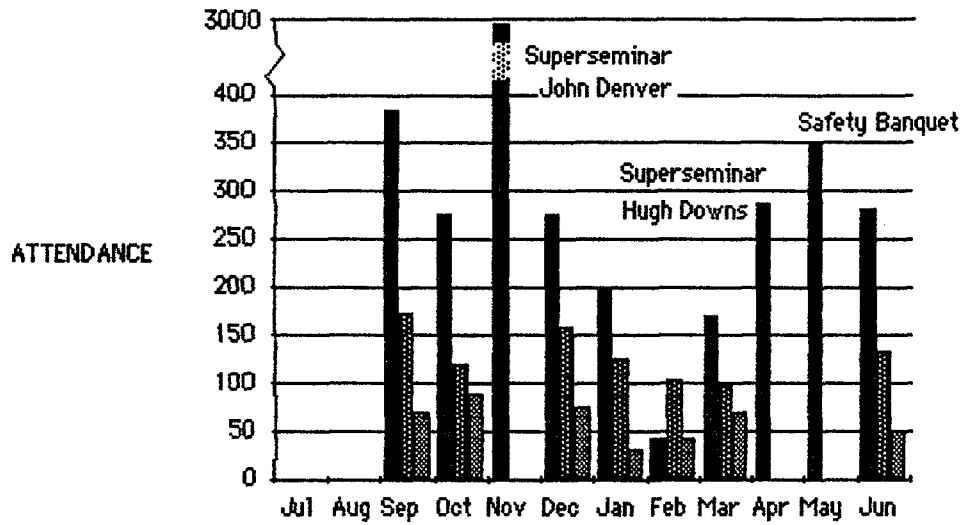
In cooperation with the Accident Prevention Program, the Aeronautics Division publishes a quarterly review of the aircraft accidents and incidents which occurred during the previous quarter. The four page bulletin is distributed to all Arizona pilots.

### **Helicopter Facts**

A booklet on the basic questions a person may ask concerning a helicopter and how it flies. It is designed as a public education tool during helicopter displays or upon request from an individual.

# SEMINAR ATTENDANCE

FISCAL 1983-1984



## LEGEND

- PHOENIX
- ▨ TUCSON
- ▤ PRC OR FLG